

**REAL ESTATE APPRAISERS BOARD MEETING
MINUTES
Wednesday, October 30, 2002**

PRESENT: DeAnn Brosman, Patrick Buckett, Dennis Farrar, Sharon Fiedler, LaMarr Franklin, Mark Kowbel, and Roger Roslansky

STAFF PRESENT: Mary Forseth, Bureau Director; Ruby Jefferson-Moore, Legal Counsel; Gina York, Program Assistant and other DOE staff during portions of the meeting.

GUESTS: Debbie Conrad, WRA

CALL TO ORDER

LaMarr Franklin called the meeting to order at 9:32 a.m. A quorum of seven voting members was present.

AGENDA

Additions to the Agenda:

- Add under Item 11: USPAP Letter

MOTION: Patrick Buckett moved, seconded by Roger Roslansky, to approve the agenda as amended. Motion carried unanimously.

MINUTES (August 28, 2002)

MOTION: Patrick Buckett moved, seconded by Roger Roslansky, to approve the minutes of 8/28/02 as published. Motion carried unanimously.

ADMINISTRATIVE REPORT, MARY FORSETH, BUREAU DIRECTOR

Board Roster

Approved. Delete Mark Kowbel's business e-mail address.

2002 Meeting Dates

This is the last Board meeting for 2002. The next Board meeting will be 01/15/03.

2003 Meeting Dates

The Board reviewed the list of meeting dates for 2003.

MOTION: Roger Roslansky moved, seconded by DeAnn Brosman, to approve the meeting dates for 2003 as published. Motion carried unanimously.

Summary Reports on Pending Court Cases, Disciplinary Cases and Administrative Rules and Press Releases

Informational only.

To-Do-List

All items on the To-Do-List were reviewed and completed with only one article to be finalized by mid-November.

Regulatory Digest Articles

There was a discussion about articles for the Regulatory Digest. For the December 2002 issue we will have articles on: Flipping, Practice Tips, and assessors following USPAP guidelines. DeAnn Brosman will consult with Mary Reavey regarding assessors following USPAP in Milwaukee. Articles will be finalized and submitted for the next publication.

REGULATION OF ASSESSORS

The Board discussed the references and definitions being used in the application materials regarding experience gained as assessors. DeAnn Brosman will be writing the Regulatory Digest article regarding this topic. Judy Mendor will be revising application materials.

BOARD MEMBER ACTIVITY

None.

EDUCATION ISSUES

Report of the REA Education Advisory Committee, Mark Kowbel/DeAnn Brosman

Mark Kowbel and DeAnn Brosman gave a report, highlighting the Committee's discussions and recommendations from their last meeting held on October 25, 2002. A copy of the 10/25/02 minutes was distributed to the Board. There were several areas of discussion regarding USPAP course, trainee classification, number of licensed appraiser's experience hours, and the AQB's third exposure draft.

Ruby Jefferson-Moore, Legal Counsel, discussed the status of the AQB proposals. There were some new recommendations including not allowing licensees to take the 15 hour USPAP course in place of the 7 hour course and the requirement that no more than 75% of qualifying education may be distance education.

Mary Forseth will respond back to AQB by the December 1, 2002 deadline sharing the Committee's concerns regarding: 1) double dipping- experience and education hours, 2) 50 percent case studies as experience hours, and 3) site and cost valuations education hours. The Committee made the following recommendation:

MOTION: Mark Kowbel moved, seconded by DeAnn Brosman; the Committee reviewed the third exposure draft and made our recommendations for required credits related to all three licensing categories and has referred these recommendations to the REA Board. Motion carried unanimously.

The Committee discussed the trainee classification and the concern of how trainees are supervised. The Committee recommends the person providing supervision should be available and provide guidance to trainees, supervisor should be in good standing and must be a licensed certified appraiser. Licensing of trainees is split almost half and half among states. The Committee does not recommend implementing the trainee classification at this time.

There was more discussion regarding the experience requirements for licensed appraisers. The Committee continues to recommend that the licensed appraisers be increased to 2000 hours of experience and the certified residential licensee would increase to 2500 hours of experience.

A draft of the survey was reviewed by the Committee and there was a lengthy discussion regarding the survey and its distribution. The Committee reviewed with Barbara Showers the questions, the evaluation of the surveys results, and the committee recommended providing a response deadline. Ms. Showers will make the revisions indicated and prepare a final version of the survey for review. The Committee recommended to the REA Board to release the final survey product and send to schools the AQB summary, and require a response deadline in December 2002.

UPDATE ON CE AUDIT REVIEW

Lydia Bridge presented the results from the continuing education audit. This was a random audit of approximately ten percent of licensees. Out of the 200 licensees audited, five are still not in compliance. A certified letter went out to those individuals notifying them of their non-compliance and they were given 60 days in which to meet CE requirements. Four did not respond and one has asked for an extension to meet the requirement.

The Board would like to know if there is a way for these five individuals to be flagged when their licenses come up for renewal to ensure that all CE requirements have been met before they are allowed to renew in December 2003. Mary Forseth will research and report back the Board at its next meeting.

SURVEY AND COURSE UPDATE

The Committee reviewed with Barbara Showers the questions, planned evaluation of the survey's results, and the committee recommended providing a response deadline. Ms. Showers will have the revisions made as indicated and prepare a final version of the survey for mailing. The Board recommends mailing the final survey to schools with the AQB summary and require a response deadline in December 2002.

Lydia Bridge presented to the Board the final revisions to the schools survey recommended by the REA Education Advisory Committee to Barbara Showers at their October 25, 2002 meeting.

MOTION: Roger Roslansky moved, seconded by Mark Kowbel, to accept the recommendation from the REA Education Advisory Committee. The Board approved the final survey product as written mailing to schools with a response deadline of December 1, 2002. Motion carried unanimously.

REVIEW APPLICATION PACKET CHANGES AND 15 HOUR USPAP COURSE

The Board reviewed the application packet and made recommendations for changes. The Board requested a special notice be sent with applications providing USPAP course instructor available

and school information. Judy Mendor and DeAnn Brosman will review and make revisions as indicated by the Board. The Board made the following recommendation:

MOTION: Patrick Buckett moved, seconded by Dennis Farrar, to grant DeAnn Brosman the authority to move forward the application revisions with Judy Mendor and to approve the finalization of the new application materials. Motion carried unanimously.

LEGISLATION

Discussion of Legislative Proposal Regarding Trainee License Classification

The Board had a lengthy discussion regarding the trainee license classification. Mary Forseth gathered information and distributed a list which indicated each state, whether they have a training classification, and if they have mandatory licensure.

The Board discussed the trainee classification and the concerns brought forth by the REA Education Advisory Committee regarding how trainees are supervised. The Board supports the Committees recommendations that the person providing supervision should be available and provide guidance to trainees and that the supervisor should be in good standing and must be a licensed certified appraiser. However, the Board does not recommend implementing the trainee classification at this time.

Mary Forseth and Ruby Jefferson-Moore will need to review the Board's recommendation with Secretary Herrera regarding the licensing of trainees and the impact on the budget. Ms. Forseth will explore the possibility of transitional licensing for licensed appraisers as an alternative to a trainee classification.

Discussions Regarding Additional Revisions to the Statutes

Mary Forseth informed the Board that the Department has not received any new information on a legislative proposal regarding mandatory licensure. Ms. Forseth contacted Senator Moore's chief aide and did not that the proposal would be actively pursued during the next legislative session. This issue will be put on the next agenda to keep the Board updated on this topic.

ADMINISTRATIVE RULES

Update on Administrative Rule Regarding USPAP

Ruby Jefferson-Moore noted that the administrative rules have gone through the legislative process regarding USPAP and will become effective January 1, 2003.

APPRAISAL SUBCOMMITTEE

None.

APPRAISAL FOUNDATION

Appraisal Standards Board

For informational purposes.

Appraiser Qualifications Board (AQB)

- Appraiser Qualification Board's Proposed Revisions to Appraiser Qualifications Criteria – Third Exposure Draft was reviewed by the Board.
- REA Core Curriculum for Wisconsin (Draft) was presented to the Board for review.
- Update on 7 Hour and 15 Hour National USPAP Courses
- USPAP Instructors there are only two at the present time. A copy of the AQB USPAP Instructors Certification Programs Frequently Asked Questions was distributed to the Board.

Legal Counsel, Ruby-Jefferson-Moore, reviewed the proposed revisions to the real estate appraiser qualifications criteria with the Board.

Mary Forseth shared a draft of a letter to Mr. Ed Morse, Chair of the AQB with the Board. Ms. Forseth will respond by the December 1, 2002 deadline sharing the Board's concerns regarding double dipping-experience and education hours, 50 percent case studies in place of experience, site and cost valuations hours, continuing education and distance learning. The Board made the following recommendation:

MOTION: Mark Kowbel moved, seconded by Roger Roslansky, to approve Ms. Forseth to send the revised letter to AQB on behalf of the REA Board addressing their concerns as identified. Motion carried unanimously.

ASSOCIATION OF APPRAISER REGULATORY OFFICIALS

AARO 2002 National Conference, October 19-22, 2002, Washington, D.C.

Mary Forseth attended the AARO 2002 National Conference held October 19-22, 2002, in Washington, D.C. Ms. Forseth informed the Committee that three major concerns were discussed; the trainee licensing classification, supervision of trainees, and handling of complaints against trainees.

EXAMINATION ISSUES

None.

DISCUSSION RELATED TO LICENSED APPRAISER EXPERIENCE HOURS

Discussion Related to Increase in Hours for Licensed Appraisers Regarding Compliance with USPAP

There was more discussion regarding the experience requirements for licensed appraisers. The Committee continues to recommend that the general licensees would be increased to 2000 hours of experience and the certified residential licensee would increase to 2500 hours of experience.

Forseth will prepare the scope statement for this rule change and will review the Board's recommendation with Secretary Herrera.

MISCELLANEOUS CORRESPONDENCE/INFORMATION

GAO Survey was discussed briefly with the Board by Mary Forseth. The survey was completed and returned by Clete Hansen, Division Administrator and Ruby Jefferson-Moore, Legal Counsel. The results of the survey to be published by April or May 2003.

Patrick Buckett discussed the issue regarding the legality of appraisers receiving land comparables information from the Department of Revenue. There has been a communication problem regarding the release of this information and some DOR offices are not releasing it. The Wisconsin Open Records law requires release of this information, but the Department of Revenue believes it cannot release the information because it has social security numbers on it. If the social security number would be removed from the documents they can be made available. Mr. Buckett stated this information can be obtained from the Register of Deeds Office but it is more cumbersome and expensive. Mr. Buckett referred to Wis. Statute 77.265 regarding confidentiality sent to him from Mr. Larabee of DOR for a legal opinion. Ruby Jefferson-Moore will check into this issue and report back the Board at the next meeting. Mary Forseth will contact the Department of Revenue and see if she can get statistics regarding licensed assessors.

NEW BUSINESS

None.

PRESENTATION OF PROPOSED STIPULATIONS BY DIVISION OF ENFORCEMENT

The Division of Enforcement prosecuting attorney presented the proposed stipulation relating to David H. Lewis.

CLOSED SESSION

MOTION: DeAnn Brosman moved, seconded by Dennis Farrar, to convene to closed session to consider discipline of persons licensed by the board or the investigation of charges against such persons [s. 19.85(1)(b), Stats.] And, to consider individual histories or disciplinary data [s. 19.85(1)(f), Stats.]. Motion carried by roll call vote: LaMarr Franklin-yes, Patrick Buckett-yes, Mark Kowbel-yes, DeAnn Brosman-yes, Dennis Farrar-yes, Sharon Fiedler-yes, Roger Roslansky-yes

Open Session recessed at 12:25 p.m.

RECONVENE TO OPEN SESSION

MOTION: Roger Roslansky moved, seconded by Mark Kowbel, to reconvene into open session at 12:45 p.m. Motion carried unanimously.

VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION, IF VOTING IS APPROPRIATE

MONITORING REPORT

The Division of Enforcement staff and LaMarr Franklin, Board Chair will be reviewing the report after the meeting today to ensure all cases for year 2000 and newer are assigned appropriately.

CASE CLOSINGS AND CASE STATUS REPORT

MOTION: Mark Kowbel moved, seconded by Roger Roslansky, to close the complaint **00 APP 003** for insufficient evidence. Patrick Buckett abstained. Motion carried.

MOTION: Dennis Farrar moved, seconded by Mark Kowbel, to close the complaint **01 APP 002** for no violation. Patrick Buckett abstained. Motion carried.

DISCIPLINARY ACTIONS

STIPULATIONS

LEWIS, DAVID H.

MOTION: Patrick Buckett moved, seconded by Dennis Farrar, to adopt the Findings of Fact, Conclusions of Law, Order, and Stipulation in the matter concerning David H. Lewis. Case adviser was DeAnn Brosman. Motion carried unanimously.

EXAMINATION ISSUES, IF ANY

None.

SUCH OTHER ITEMS AS AUTHORIZED BY LAW

None.

ADJOURNMENT

MOTION: Patrick Buckett moved, seconded by Dennis Farrar, to adjourn the meeting at 1:00 p.m. Motion carried unanimously.

Next Meeting: January 15, 2003